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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarter Ended
January 31, 1992

Commission File
0-10193

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PIEZO ELECTRIC PRODUCTS, INC.
(Exact name of registrant as specified in its charter)

Delaware	04-2718704
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

212 Durham Avenue, Metuchen, New Jersey 08840
(address of principal executive offices)

PROCESSED BY
MAR 20 1992

(908) 548-2800
(Registrant's telephone number, including are

Microfilmed by
Q-Data Corp. - St. Petersburg, FL

Not Applicable
(Former name, former address and former fiscal year, if changed)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes __X__ No _____

Indicate the number of shares outstanding of each of the issuer's classes of stock, as of the latest practicable date.

Class	Outstanding at January 31, 1992
Common Stock, $.01 par value	3,300,425
Cumulative Convertible Preferred Stock, $1.00 par value (1)	37,476
Series A Cumulative Convertible Preferred Stock, $1.00 par value (1)...	325,000

BEST COPY AVAILABLE

(1) The Company has outstanding as of January 31, 1992, a total of 37,476 shares of Cumulative Convertible Preferred Stock, each of which is convertible into 4/10ths of a share of Common Stock, and 325,000 shares of unregistered Series A Cumulative Convertible Preferred Stock, each of which is convertible into 5 shares of Common Stock.

PIEZO ELECTRIC PRODUCTS, INC.

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PART I - FINANCIAL INFORMATION

PIEZO ELECTRIC PRODUCTS, INC.

CONDENSED BALANCE SHEETS

	January, 31, 1992 (Unaudited)	October, 31, 1991
ASSETS		
Current Assets:		
Cash and deposits earning interest	$ 2,580	$ 32,762
Accounts receivable:		
Trade, less allowances	437,817	383,058
Other	7,274	65,773
Inventories	729,753	672,988
Prepaid expenses	38,903	13,135
Total current assets	1,216,327	1,167,716
Property, plant and equipment, net	196,487	228,204
Other assets	34,850	34,850
	$ 1,447,664	$ 1,430,770
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 732,048	$ 642,910
Debentures due	30,000	30,000
Current portion of indebtedness	19,300	250,660
Accrued expenses	167,710	286,382
Total current liabilities	949,058	1,209,952
Long term debt	118,000	169,340
Stockholders' Equity:		
Cumulative convertible preferred stock	37,476	37,476
Series A cumulative convertible preferred stock	325,000	--
Common stock	33,005	33,002
Additional paid-in capital	38,465,871	38,465,673
Accumulated deficit	(38,480,744)	(38,484,673)
	380,608	51,478
Treasury stock (donated, 12,461 shares)	--	--
Total Stockholders' Equity	380,608	51,478
	$ 1,447,664	$ 1,430,770

See accompanying notes to condensed financial statements

PIEZO ELECTRIC PRODUCTS, INC.

CONDENSED STATEMENTS OF OPERATIONS
(Unaudited)

	For the three months ended January, 31	
	1992	1991
Net sales and revenues	$ 892,760	$ 925,829
Costs and expenses:		
Cost of sales	688,262	794,537
Research and development	837	--
Sales and marketing	59,388	62,948
General and administrative	128,045	141,601
	876,532	999,086
Operating income (loss)	16,228	(73,257)
Other income (expense):		
Interest income	46	128
Interest expense	(13,342)	(12,863)
Other, net	998	--
	(12,298)	(12,735)
Income (loss) before income taxes	3,930	(85,992)
Provision for state and Federal income taxes	--	--
Net income (loss)	$ 3,930	$ (85,992)
Net income (loss) per common share:		
Net income (loss)	$ (.00)	$ (.03)
Weighted average common and common equivalent shares outstanding	3,300,294	3,226,729

For purposes of calculating the net income or loss per common share, net income is decreased and net loss is increased by dividends on the preferred stock whether or not such dividends have been declared or paid.

See accompanying notes to condensed financial statements.

PIEZO ELECTRIC PRODUCTS, INC.

CONDENSED STATEMENT OF CASH FLOW
(Unaudited)

	For the three months ended January 31, 1992	1991
Cash flows from operating activities:		
Net income (loss)	$ 3,930	$ (85,992)
Adjustments to reconcile net income (loss) to net cash used in operations:		
Depreciation and amortization	30,789	36,377
Gain on disposal of assets	(998)	--
(Increase) decrease in assets:		
Accounts receivable	3,740	(11,327)
Inventory	(56,765)	(10,825)
Prepaid expenses	(25,768)	12,207
Other assets	--	--
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(12,764)	(25,619)
Total adjustments	(36,238)	813
Net cash used in operating activities	(32,308)	(85,179)
Cash flows from investing activities:		
Capital expenditures	928	(9,149)
Proceeds from sale of assets	998	--
Net cash provided by (used in) investing activities	1,926	(9,149)
Cash flows from financing activities:		
Proceeds from sale of common stock	200	--
Net cash provided by financing activities	200	--
Net decrease in cash and cash equivalents	(30,182)	(94,328)
Cash and cash equivalents at beginning of period	32,762	132,489
Cash and cash equivalents at end of period	$ 2,580	$ 38,161
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Interest on long-term debt	$ 13,342	$ 12,863
Income taxes	--	--

Supplemental disclosure of non cash financing activities:
Series A preferred stock was issued upon conversion of $325,000 of long term debt.

See accompanying notes to condensed financial statements.

PIEZO ELECTRIC PRODUCTS, INC.

NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared by the Company without audit, pursuant to the rules and regulations of the Securities and Exchange Commission and reflect all adjustments (consisting solely of normal recurring adjustments) which, in the opinion of management, are necessary for a fair representation of the results of the interim period presented.

These financial statements do not include all disclosures associated with annual financial statements, and accordingly, should be read in conjunction with footnotes contained in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 1991.

2. Contingent Liabilities:

There have been no significant new commitments or changes in the status of commitments previously disclosed.

3. Litigation:

There have been no new developments in any litigation previously reported.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations

First Quarter 1992 and 1991

The Company reported net income of $3,930 for the first quarter of 1992 versus net losses of $ 85,992 for the same period last year. The increase in earnings is primarily due to a decrease in the cost of sales from 86% to 77% of sales respectively for the first quarter of 1992 and 1991. Direct manufacturing costs accounted for approximately 2% of the decrease in costs while reductions in manufacturing overhead costs accounted for approximately 6% of the change.

Late in the fourth quarter of 1991 management instituted several cost cutting measures, including reductions in work hours, in order to improve efficiency. Although these cost cutting measures have been successful, certain measures were intended as short term. The Company expects that these measures will continue through the second quarter of 1992 although at a lesser rate as personnel return back to normal work schedules.

The decrease in general and administrative cost is also attributable to reductions in work schedules discussed above.

Interest expense increased marginally from 1991 to 1992 but will decline in 1992 as a result of the conversion of debt to preferred stock. Should the Company be successful in obtaining long term loans, interest expense would increase accordingly.

Liquidity and Capital Resources

As of January 31, 1992, the Company had working capital of approximately $267,000 compared with negative working capital of $42,000 at October 31, 1991. The change is primarily due to a decrease in the Company's long term debt which was financed by the issuance of a new Series A preferred stock.

Net cash used in operations were $32,308, and $85,179 for the three months ended January 31, 1992 and 1991 respectively.

On December 31, 1991 an agreement was reached with three related party creditors, Harold I. Schein, Philip Schein, and CDX Corp., to convert a part of the debt due them to preferred stock. On December 23, 1991, The Company's Board of Directors voted to issue a new series of 325,000 shares of Cumulative Convertible Preferred Stock, $1.00 Par Value, Series A, in satisfaction of $325,000 of debt payable by the Company to the above creditors. As of December 31, 1991 the Company was indebted to the above creditors, including principal and interest, for $253,000, $99,300, and $110,000 respectively. Harold Schein converted $135,000 of the debt due him for 135,000 shares of preferred stock; Philip Schein converted $90,000 of debt to preferred stock, and CDX Corp. converted $100,000 of debt to preferred stock. As of January 31, 1992, after the effect of the conversion, the Company was indebted to the above creditors, including principal and interest, for $119,475, $9,420, and $10,125 respectively.

During fiscal 1991, the net cash used to fund operations was provided principally by an increase in accounts payable. This increase was the result of delaying vendor payments beyond terms normally extended. As a result, the Company's ability to obtain trade credit continues to be diminished. Although this has not seriously impacted the Company's ability to obtain materials and supplies, there can be no assurance that this will continue. During the first quarter of 1992, the Company was able to reduce accounts payable and accrued expenses by approximately $30,000.

As long as any of the Company's 10% convertible subordinated debentures ("Debentures"), due February 28, 1989, remain outstanding, the Company may not declare or pay dividends on its common stock. As of January 31, 1992, the Company is in default to one remaining holder for $30,000. The Company intends to pay the debentures upon claim of payment by the debenture holder.

On February 28, 1992 the Company borrowed $50,000 in the form of two $25,000 promissory notes from two unrelated sources. The notes provide for payment of 15% annual interest payable monthly and the principal upon maturity on August 28, 1992. The loan is secured as to the amount of the principal and accrued interest by principally all of the assets of the Company. In addition, the Company will issue to each lender 2,500 shares of common stock.

The Company is actively seeking additional financing from asset based lenders, although none has yet been obtained. Failure to obtain additional financing would seriously impair the Company's ability to continue as a going concern. Management believes it needs a minimum of $200,000 long term financing in order to reduce its trade payables and provide sufficient working capital to sustain continuing operations during 1992.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note 3 of Notes to Condensed Financial Statements

Item 2. Changes in Securities

On December 31, 1991 an agreement was reached with three related party creditors, Harold I. Schein, Philip Schein, and CDX Corp., to convert a part of the debt due them to preferred stock. On December 23, 1991, The Company's Board of Directors voted to issue a new series of 325,000 shares of Cumulative Convertible Preferred Stock, $1.00 Par Value, Series A in satisfaction of $325,000 of debt payable by the Company to the above creditors. The Series A Preferred Stock will pay quarterly dividends at the rate of $.16 per year, and be convertible into 5 shares of common stock. The holders of the Series A Preferred Stock will have the right to elect two members of the Company's Board of Directors if accrued but unpaid dividends on the Series A preferred are in arrears for one or more full fiscal quarters of the Company. The Series A prohibits the redemption or purchase by the Company of any of its common shares at any time that accrued dividends exist as to the Series A stock.

Item 3. Defaults upon Senior Securities

The Company has not declared a dividend on its cumulative convertible preferred stock since its fiscal quarter ended July 31, 1985 and therefore is in arrears for a total of $267,953. In addition, the Company has not declared a dividend on its Series A preferred stock and, as of January 31, 1992, was in arrears for $4,333.

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 6. Exhibits and Reports on Form 8-K

The Company filed two Reports on Form 8-K with the Securities and Exchange Commission during the fiscal quarter ended January 31, 1992.

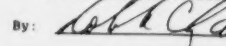
On December 31, 1991 the Company filed a Report on Form 8-K announcing the results of its unit offering which ended December 13, 1991. The Company also announced that an agreement had been reached with three related party creditors to convert a portion of the debt due them to a new Series A preferred stock.

On January 10, 1992 the Company filed a Report on Form 8-K amending the Certificate of Designation for the Series A preferred stock thereby removing the redemption features of the Series A preferred stock.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PIEZO ELECTRIC PRODUCTS, INC.

By: 

Robert C. Zangara
Vice President and Controller
(A Duly Authorized Officer and
the Principal Financial Officer)

DATE: March 13, 1992